

The top Southern markets for advanced manufacturing may not be where you think – if you are thinking of traditional manufacturing, that is.

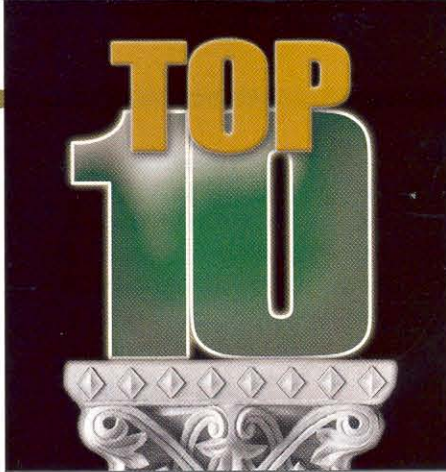
The South is a hotbed for advanced manufacturing — those next-generation, high-tech processes that demand ever-increasing innovation. Of course, advanced manufacturing also demands a skilled workforce. The good news is many of these workers have already taken up residence in the South.

While new southern markets are emerging to meet the needs of advanced manufacturing, Southern Business & Development magazine has identified some of today's best markets for this target industry. They are the 10 Top Markets in the South for Advanced Manufacturing.

1. Aiken, S.C.

Aiken clearly understands advanced manufacturing. This southern city boasts a strong chemical, plastics, automotive and hydrogen manufacturing base – and it isn't a newcomer to advanced manufacturing. The Aiken area has had a strong chemical sector since the 1950s. Meanwhile, the plastics industry is a growing sector there, with the likes of Arco Corp., Edgefield Manufacturing Co., PACTIV Corp., Shaw Industries and Trenton Plastic Products calling the region home.

Noteworthy is the fact that Aiken is strategically located two hours south of BMW's Spartanburg, S.C., assembly plant and less than three hours east of Atlanta. Tire manufacturer Bridgestone/Firestone also has a facility in the Aiken area. Along with auto-related manufacturing, Aiken is also leading the way in next energy and hydrogen. The community's remarkable Center for Hydrogen Research (CHR) opened in October 2005. CHR is the result of a strategic partnership and collaborative effort between the Aiken County Economic Development Commission and the local Savannah River National Laboratory. It is by far the largest repository of hydrogen research, data and expertise in the U.S. today. Located near the Savannah River Site in Aiken County, CHR is designed to realize the full



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potential of hydrogen and its commercial applications. The facility offers space for private-sector companies to work alongside top scientists and researchers in the hydrogen field.

2. Greenville/Spartanburg, S.C.

Greenville/Spartanburg is a hotbed of advanced manufacturing, and it solidly earns a place in this year's rankings. Since 1994, BMW and Upstate automotive suppliers have invested more than \$3 billion and created more than 7,000 jobs, making the area a world leader in the automotive industry. BMW continues to grow in the Greenville/Spartanburg area as well. The company recently announced plans to invest \$750 million more, creating 500 new jobs. Beyond automotive manufacturing, Greenville/Spartanburg is also home to a strong aviation manufacturing industry with companies such as Lockheed-Martin, Honeywell, and Champion Aerospace, and others.

On the biotech front, Fluor's Life Sciences Group recently completed a conceptual biotech manufacturing layout for a 190-acre site at the Matrix Business & Technology Park. The Greenville Hospital System's Oncology Research Center,

Godley-Snell Research Center, Biosystems Research Complex, DNA Learning Center, Greenwood Genetics Center/J.C. Self Research Institute of Human Genetics and S.C. Biotechnology Incubation Facility are also located in the area or nearby, positioning Greenville/Spartanburg to be a leader in healthcare-related manufacturing.

3. Austin-Round Rock, Texas

Austin-Round Rock is making an even bigger name for itself in tech-intensive manufacturing. In fact, the region is gaining recognition all the way around, rising 36 positions to rank 20th in a "Best Performing Cities 2007," a report developed by the Milken Institute and Greenstreet Partners.

Information Technology hardware manufacturing suffered for several years earlier this decade, but it has recovered and then some in Austin-Round Rock, with the likes of Samsung, Intel, AMD and others making new investments in the region. Austin-Round Rock is also home to Dell and Hewlett Packard, and high-tech startups are adding to the growth there.

4. Knoxville/Oak Ridge, Tenn.

This region is home to the legendary Oak Ridge National Laboratory (ORNL), the largest science and energy laboratory in the U.S. ORNL also boasts 18 different user facilities in strategic areas that are accessible to advanced manufacturing firms. What's more, the Knoxville-Oak Ridge Innovation Valley hosts a vast supply of talent, including 45,000 technical workers, 75,000 college and university students and 3,500 Ph.D.s.

If that's not enough, Knoxville/Oak Ridge also boasts the flagship campus of the University of Tennessee with its critically acclaimed engineering school, as well as the Y-12 National Security Complex, which has developed state-of-the-art capabilities in homeland security, machining and manufacturing technologies.

5. Memphis, Tenn.

Over the past few years Memphis, unlike many other cities in the U.S., has seen growth in its manufacturing sector. Since 2005, companies such as Smith & Nephew, Medtronic, Wright Medical and Nucor Steel have either consolidated or expanded their manufacturing operations in Memphis. The reasons? Excellent logistics with the world's busiest air cargo airport, five Class 1 railroads, and the world hub and world headquarters of FedEx.

Memphis also offers some of the most reasonably priced industrial real estate in the nation with average rates close to \$2.50 per square foot. Additionally, it has some of the lowest per capita taxes in the nation, along with an abundant work force and competitive corporate incentives.

6. Huntsville, Ala.

Huntsville has been a magnet for advanced manufacturing operations since the U.S. missile defense and NASA rocket development began there in the 1950s and 60s. Ongoing efforts to diversify the Huntsville economy and industrial base have resulted in an increasing number of companies in telecom, automotive, biotechnology and other industrial sectors.

Huntsville is attractive to advanced manufacturing companies thanks to its highly qualified technical workforce and the availability of infrastructure-ready sites in a dozen research and industrial parks, including Cummings Research Park—the fourth largest research and technology development park in the world.

7. New Orleans

New Orleans has made major inroads into advanced manufacturing.

Home to premiere NASA facilities and several major manufacturers, the region boasts unparalleled expertise in turning very basic goods into highly complex Naval and commercial ships and NASA space vehicles. Boeing Co., Lockheed Martin, Johnson Controls Interior and Bollinger Shipyards are just a few of the companies that call New Orleans home.

Advanced manufacturing depends heavily on a highly skilled and educated



A researcher works at Aiken, S.C.'s Savannah River National Laboratory (SRNL). SRNL is the applied research and development laboratory at the U.S. Department of Energy's Savannah River Site. For more than a half-century, SRNL has earned a reputation for successfully identifying, developing, and deploying high-value technologies. The opportunity to work with this world-class facility can be a major advantage for manufacturers in the Aiken area.

workforce, as well as the presence of large manufactures, large cheap tracts of land, and transportation infrastructure. The Greater New Orleans region can offer companies all of these criteria - and generous incentives. For example, Gulf Opportunity Zone (GO-Zone) federal tax incentives offer a competitive advantage for the relocation or expansion of large manufacturing facilities in the region.

8. Hampton Roads, Va.

Hampton Roads' strategic, mid-Atlantic location and superior transportation network provide swift access to world and domestic markets. It may surprise you to learn that 95 percent of the world's shipping lines call on the Port of Hampton Roads linking Virginia and the U.S. to more than 250 ports in more than 100 countries.

One of Hampton Roads' target clusters is aerospace and aviation. The city is

home to Aerotech Research USA, Honeywell Technical Solutions, Sikorsky Support Services, Titan Systems, and Triumph Aerospace. NASA/Langley Research Center and the National Institute of Aerospace support manufacturer's research efforts there.

9. Raleigh/Cary, N.C.

Innovation is the key driver for the Raleigh/Cary region. Major research universities, federal labs, private companies and contract research organizations generate more than \$2 billion annually in research and development in the region.

Raleigh/Cary attracted a diverse group of new advanced manufacturing companies in 2007 including Force Protection Industries, an armored vehicle manufacturer; BD Bioscience, a manufacturer of medical supplies, devices and laboratory equipment; and Nitronex Corp., a semiconductor manufacturer.

10. St. Louis

St. Louis has a long history and a bright future as a center of advanced manufacturing, which relies on sophisticated techniques to produce high value-added products. The region is particularly well positioned for growth in automotive, aerospace and defense, and food products, securing its place on this year's top 10 list.

On the automotive front, the St. Louis region is home to a General Motors full-size van assembly plant and two Chrysler assembly plants. St. Louis is also home to more than 90 companies that make automotive products, including newly located Harman/Becker, HBPO Group and Kelsey-Hayes, a subsidiary of TRW. In terms of aviation, St. Louis is headquarters for Boeing's Integrated Defense Systems unit, the company's largest subsidiary, responsible for defense and aerospace products. St. Louis is also home to DRS Engineered Air Systems, GKN Aerospace, and other defense-related companies. Finally, the city is emerging as a leader in the development of functional foods and nutraceuticals, which use foods to deliver specific health benefits. ■